

**CALENDAR ITEM
C86**

A 11

06/23/11
PRC 3453.1
D. Oetzel

S 7

REVISION OF RENT

LESSEE:

Tesoro Refining and Marketing Company
150 Solano Way
Martinez, California 94553

AREA, LAND TYPE, AND LOCATION:

16.6 acres, more or less, of sovereign land in the Carquinez Strait, near the city of Martinez, Contra Costa County.SW

AUTHORIZED USE:

Continued use and maintenance of the Amorco marine terminal.

LEASE TERM:

25 years, beginning January 1, 1984.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$260,300 per year to \$273,997 per year, effective January 1, 2012.

OTHER PERTINENT INFORMATION:

1. This lease expired December 31, 2008. The lease is currently in holdover, and the terms of the prior lease remain in effect, allowing the Commission to adjust the rent on every fifth anniversary or on any one of the next four anniversaries if the five-year anniversary is missed.
2. Negotiations are currently ongoing with Tesoro for a new lease for this marine oil terminal and Tesoro's neighboring Avon Marine Oil Terminal (PRC 3454.1). In the event that lease negotiations for Amorco extend beyond the next anniversary date, the new rental would apply effective January 1, 2012.

CALENDAR ITEM NO. **C86** (CONT'D)

EXHIBITS:

- A. Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

AUTHORIZATION:

Approve the Revision of Rent for Lease No. PRC 3453.1 from \$260,300 per year to \$273,997 per year, effective January 1, 2012.